



State of Louisiana
DIVISION OF ADMINISTRATION

OFFICE OF STATE UNIFORM PAYROLL

M. J. "MIKE" FOSTER, JR.
GOVERNOR

MARK C. DRENNEN
COMMISSIONER OF ADMINISTRATION

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OFFICE OF STATE UNIFORM PAYROLL MEMORANDUM #2001-27

TO: All UPS Agencies

FROM: Ronald S. Mitchell
Director

SUBJECT: W-2c Guidelines for 2000 Flexible Benefits Plan Corrections

Agency personnel are responsible for determining if adjustments to 2000 Flexible Benefits Plan (FBP) deductions and Forms W-2c are necessary. The monthly Flexible Benefits Plan Reconciliation Reports provided by Group Benefits are a good starting point for review. **If Forms W-2c are necessary, please refer to OSUP Memorandum #2001-28 for instructions.**

Each agency is responsible for information reported on Forms W-2 at year-end. **Therefore, every effort should be made to ensure that information in UPS is correct before 2000 Forms W-2 are produced.** Please refer to OSUP Memorandum #2001-10 for information about reviewing employee's records prior to year-end. If an adjustment for 2000 FBP deductions is not processed until 2001, a Form W-2c may be required. Attached are some guidelines and procedures for agencies to follow in determining if a Form W-2c, due to an FBP deduction correction, is necessary. The guidelines are separated based on whether the employee affected does or does not have gross wages in 2001.

Agencies need to be careful when processing adjustments for FBP deductions that do or do not require Forms W-2c because of the Gross to Net Processing in UPS (see On-Line System User's Manual, appendix pages 33-35). In the Gross to Net processing, participating deductions are processed before non-participating deductions. If all conditions in the following situations (see attached) are not met, agencies may need to process a Supplemental document and adjust the necessary taxes. Cafeteria balances will be updated accordingly.

NOTE: Every effort should be made to identify and process all adjustments prior to the conversion of payroll data into the ISIS HR system in March.

If there are any questions on the material in this memorandum, please contact one of the following members of the User Services or Production Control Units at area code (225):

Karen Antoine 342-5354
Paula Rotolo 342-5357
Christi Sanchez 342-5345

Cindy McClure 342-8928
Ralph Noland 342-8928
Cynthia Spann 342-8928

RSM:KWA/kmb

[Attachments \(2\)](#)

EMPLOYEE HAS 2001 GROSS WAGES:

2000 SHELTERED (Participating) DEDUCTION SHOULD HAVE BEEN...		
Sheltered (Was Miscoded)	Non Sheltered	Not Deducted
NO W-2C REQUIRED	NO W-2C REQUIRED	NO W-2C REQUIRED
Change deduction code/amount to correct code/amount, if necessary.	Refund Participating. (Gross Pay must exceed taxes withheld). *	Refund Participating. *
	1-Time Non-Participating.	
	Stop incorrect deduction.	Stop incorrect deduction, if necessary.
	Set up correct deduction, if necessary.	

2000 NON SHELTERED (Non-Participating) DEDUCTION SHOULD HAVE BEEN...		
Sheltered	Non Sheltered (Miscoded)	Not Deducted
NO W-2C REQUIRED	NO W-2C REQUIRED	NO W-2C REQUIRED
Refund Non-Participating.	Change deduction code/amount to correct code/amount, if necessary.	Refund Non-Participating.
1-Time Participating. (Gross Pay must exceed the 1-time).		
Stop incorrect deduction.		Stop incorrect deduction, if necessary.
Set up correct deduction, if necessary.		

* If cafeteria balances become negative when adjustments are processed and the employee has gross wages paid in 2001, process a positive OTTXY and a positive CAFEY balance adjustment for the negative amount.

NOTE: If a Participating or Non-Participating deduction should have been taken in 2000, but was not, no W-2c is required. Set up the correct deduction and process a one-time.

EMPLOYEE DOES NOT HAVE 2001 GROSS WAGES:

2000 SHELTERED (Participating) DEDUCTION SHOULD HAVE BEEN...		
Sheltered (Was Miscoded)	Non Sheltered	Not Deducted
NO W-2C REQUIRED	NO W-2C REQUIRED	NO W-2C REQUIRED
No action necessary because employee is terminated.	Collect SS/Medi taxes from employee, if necessary.	Refund Participating (appropriate taxes should be withheld).
	Pay SS/Medi taxes.***	
	Process GROSSY****	
		Process GROSSY & CAFEY****

2000 NON SHELTERED (Non-Participating) DEDUCTION SHOULD HAVE BEEN...		
Sheltered	Non Sheltered (Was Miscoded)	Not Deducted
PREPARE W-2C **	NO W-2C REQUIRED	NO W-2C REQUIRED
Process negative ADJMW or ADJFW, if necessary.	No action necessary because employee is terminated.	Refund Non-Participating.
Submit UPR/F4W2, Balance Adjustment Request, to OSUP to remove the ADJMW/FW effects from UPS 2001 records. ****		

****Forms W-2c adjust Federal/State WAGES and/or Social Security/Medicare WAGES and TAXES. Please refer to OSUP Memorandum #2001-XX for instructions.**

******* If state share and/or employee share of Social Security/Medicare taxes is due, do one of the following:

1. EMPLOYEE SHARE and STATE SHARE: Collect net amount from employee or produce a check from the agency imprest fund for employee share. Process a Negative Net Supplemental with a PIV. (SAPM Section 2.04)
2. STATE PAYS BOTH SHARES: Process a Zero Net Supplemental. Wages times the percent (2.9 or 12.4) should equal the state share of taxes. Zeros must be entered for the employee's share and the net pay. (SAPM Section 2.06)

********See the appendix of the On-Line System User's Manual for balance adjustment codes.

NOTE: If a Participating or Non-Participating deduction should have been taken in 2000, but was not, no Form W-2c is required.